

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

September 30, 2021

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM MARKETING SPECIAL BENEFIT DISTRICT

COMMITTEE MEMBERS SEPTEMBER 30, 2021

Mike Hurley
Aloft Tampa Downtown

Joe Collier
Epicurean Hotel

Shawn Routten
Epicurean Hotel

Andrew Spicknall
Le Meridien Tampa

Ron McAnagh
Tampa Marriott Water Street, and JW Marriott Water Street

Larry Collier
The Barrymore Hotel Tampa Riverwalk

Peter Wright
Hotel Haya

ADMINISTRATION

Executive Director Bob Morrison

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District as of September 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Other Information identified in the table of contents is presented for additional analysis and are not a required part of the basic financial statement. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Tampa, Florida
May 31, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

The following Management's Discussion and Analysis ("MD&A") of the financial performance and activity of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District") is to provide an introduction and understanding of the financial statements of the District for the year ended September 30, 2021, with selected comparisons to the prior year ended September 30, 2020. The information presented should be read in conjunction with the financial statements, notes, and supplemental schedules found in this report.

On October 15, 2020, the City of Tampa adopted Resolution No. 2020-714 to create the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"). The District is funded through assessments to participating hotels within the District's limits. Prior to October 15, 2020, the District was managed by the HCHMA's TMD Steering Committee, which was designated by the City as the Owner's Association under the initial version of the City of Tampa's Tourism Marketing District ordinance.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2021, by \$1,002,409 (net position). Net position increased by \$528,738 from the previous fiscal year.
- As of September 30, 2021, the District's general fund reported an ending fund balance of \$1,002,409, an increase of \$528,738 from the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The financial section of this report consists of four parts: Report of Independent Auditor, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and the compliance section. The basic financial statements include two kinds of statements that present different views of the District.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the District's assets and liabilities. Net position, the difference between assets and liabilities, and is a useful way to measure the District's financial health.

The statement of activities presents information showing how the District's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Fund Financial Statements

The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

maintain control over resources that have been segregated for specific activities or objectives. The District uses one governmental fund to account for its operations.

The District follows Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for government funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The District adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the general fund in order to present budgetary compliance.

The financial statements also include notes. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the Government as a Whole

Changes in net position over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2021, the assets were more than the liabilities by \$1,002,409.

Following is a comparison of the District's net position as of September 30:

	<u>2021</u>	<u>2020 (Unaudited)</u>
Cash and cash equivalents	\$ 150,513	\$ 2,542
Assessments receivable	871,978	548,554
Total assets	<u>1,022,491</u>	<u>551,096</u>
Accounts payable and accrued expenses	20,082	77,425
Total liabilities	<u>20,082</u>	<u>77,425</u>
Net Position:		
Unrestricted	<u>1,002,409</u>	<u>473,671</u>
Net position	<u>\$ 1,002,409</u>	<u>\$ 473,671</u>

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Governmental activities increased the District's net position by \$528,738 primarily as a result of increased assessment fees charged for the fiscal year ended September 30, 2021.

Following is a comparison of the District's statement of activities for the years ended September 30:

	2021	2020 (Unaudited)
Revenues:		
Program revenues:		
Charges for services	\$ 695,211	\$ 548,575
Total revenues	695,211	548,575
Expenses:		
Tourism marketing expenses	166,473	428,042
Increase in net position	528,738	120,533
Net position, beginning of year	473,671	353,138
Net position, end of year	\$ 1,002,409	\$ 473,671

Tourism marketing expenses during 2021 related to the initial operations of the District as a special district.

Financial Analysis of the District's General Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of September 30, 2021, the District's general fund reported an ending fund balance of \$1,002,409, an increase of \$528,738 in comparison with the previous fiscal year. Of this amount, all is considered unassigned

Economic Factors/Currently Known Facts, Decisions, or Conditions

The District is primarily funded by assessment revenues. The assessment rate was at 294.1176, for the fiscal year ended September 30, 2021. Looking forward to fiscal years 2022 and 2023, the District anticipates total assessments revenue to grow by an estimated 26.6% in 2022 and 18.9% in 2023. Total revenues for fiscal year 2022 are estimated to be \$880,000.

The reality of the pandemic and post pandemic economic period presented the District with a variety of unpredictable factors and trends in developing its 2022 and 2023 economic forecasts. The "pandemic effect" on the hospitality industry reflected a wide range of 2021 convention cancellations nationally, coupled with diminished delegate travel patterns.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

As a unique and unexpected pivot, leisure travel conversely reflected an unexpected growth spurt. Hotels, airlines and attractions began to devise marketing strategies that were based on health care related solutions. Moreover, service delivery strategies utilized state of the art “touchless” technology as well as service options in restaurants and hotels that were responsive to traveler safety concerns, while acknowledging their desire to have value – added and safe experiences.

The District’s enabling ordinance was enacted in early fiscal year 2021 and no assessments were collected during the early part of 2021. In the absence of assessments, limited tourism marketing expenses were incurred compared to the budgeted amounts. This led to the District building up an unassigned fund balance that can be applied to future period tourism marketing campaigns.

The District’s business model, as a result, established a two-part platform Tourism Enhancement Services and a Convention Concession Installment Plan. The model mirrored the purpose of the District which was to generate supplemental room nights for participating hotel properties by documenting the investment of assessment payments into a strategic guest development protocol.

- Part 1 – Tourism Enhancement envisions the use of digital technology to build a marketing presence that facilitates the nurturing of the district brand...The Treasure Collection...while utilizing technology to measure booking decisions and patterns by prospective visitors / guests.
- Part 2 – The Convention Concession Installment Plan seeks to create a convention group recruitment fund to secure conventions that meet certain room night and a minimum group of hotels being utilized.

One of the past challenges the market has faced has been the inability to compete against large 1000+ room hotels with large ballrooms and/or convention centers that are provided at little to no cost to the convention group, neither of which we have been able to match in the past. The Convention Concession proceeds would be deployed only if the underlying Installment Plan housing thresholds were met, and the Installment funding is a match of simultaneous Visit Tampa Bay dollar investment that is based upon an evaluation of the targeted convention’s on – site service delivery related costs. The concurrent objective - lower the participating hotel’s traditional room rebate used in the past to cover this cost category.

Finally, the District will have two key adjustments in fiscal year 2022. First, by having a full year of collection, the District will have an opportunity to fully fund its branding platform and the Convention Concession Installment Plan. Second, the City of Tampa, Florida and Hillsborough County will have hosted several major international and domestic events, coupled with a doubling of the Visit Tampa Bay marketing budget. Together, the City and County have seen its repositioning as a national hospitality leader, based upon standard industry measurements, while many competitor market convention bureaus are still closed and / or working remotely. As a result, the economic climate for the District suggests the capability to build upon the hospitality momentum currently being experienced in the Tampa market.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District
P.O. Box 3298
Tampa, Florida 33601

BASIC FINANCIAL STATEMENTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF NET POSITION

September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 150,513
Assessments receivable	<u>871,978</u>
Total assets	<u>1,022,491</u>
LIABILITIES	
Liabilities:	
Accounts payable and accrued expenses	<u>20,082</u>
Total liabilities	<u>20,082</u>
NET POSITION	
Unrestricted	<u>1,002,409</u>
Total net position	<u><u>\$ 1,002,409</u></u>

The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF ACTIVITIES

For the year ended September 30, 2021

	<u>Governmental Activities</u>
Program expenses:	
Tourism marketing expenses	\$ 166,473
Total program expenses	<u>166,473</u>
General revenues:	
Tourism marketing assessments	<u>695,211</u>
Total general revenues	<u>695,211</u>
Increase in net position	528,738
Net position, beginning of year	<u>473,671</u>
Net position, end of year	<u><u>\$ 1,002,409</u></u>

The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

BALANCE SHEET – GENERAL FUND

September 30, 2021

ASSETS

Cash and cash equivalents	\$	150,513
Assessments receivables		<u>871,978</u>
Total assets	\$	<u><u>1,022,491</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued expenses	\$	<u>20,082</u>
Total liabilities		<u>20,082</u>

Fund balance:

Unassigned		<u>1,002,409</u>
Total fund balance		<u><u>1,002,409</u></u>

Total liabilities and fund balance	\$	<u><u>1,022,491</u></u>
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The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND

For the year ended September 30, 2021

Revenues:	
Charges for services	\$ 695,211
Total revenues	695,211
Expenditures:	
Tri-party agreement litigation costs	64,360
City of Tampa administrative fee	5,274
Tax Collector administrative fee	6,952
Administrative services	54,350
Legal and professional services	13,862
Tourism engagement services	20,000
General administrative expenses	626
Bank charges and fees	1,049
Total expenditures	166,473
Net change in fund balance	528,738
Fund balance, beginning of year	473,671
Fund balance, end of year	\$ 1,002,409

NOTES TO THE FINANCIAL STATEMENTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2021

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Reporting Entity

On April 18, 2018, an agreement was reached between the Hillsborough County Tax Collector's Office, the City of Tampa, Florida and the Hillsborough County Hotel and Motel Association, Inc. to create the Tampa Downtown/ Historic Ybor Tourism Marketing District. This agreement was further amended with Ordinance No. 2020-54 by establishing services to be provided by the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District").

The District is subject to a written delegation agreement entered into between the City of Tampa, Florida and the Hillsborough County Hotel Motel Association ("HCHMA"), whereas in the provision, the City of Tampa, Florida appoints the HCHMA as the Owner's Association and delegates the power and authority to manage and administer the affairs of the District, provided all matters related to the District shall be in accordance with all applicable provision of law and shall be subject to the terms of the delegation agreement.

The District is funded through assessments to participating properties within the District. These special assessments shall be levied by the City of Tampa, Florida Council and collection of the special assessments shall be handled by the Hillsborough County Tax Collector. The Hillsborough County Tax Collector shall retain one percent of the special assessments collected to cover the cost of collecting and remitting the special assessments. The Hillsborough County Tax Collector will then forward the special assessments collected, less the one percent fee to the City of Tampa, Florida. The City of Tampa, Florida will then forward the special assessments collected, less the one percent fee charged by the City of Tampa, Florida to the District. The special assessments may be collected monthly from the owner of each property or parcel of land within the District and shall not exceed the cost of providing services.

2. Membership of the District

The District's governing body is designated by the City of Tampa, Florida. As such, the District is considered a dependent special district.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The District's accounting policies are described below.

2. Measurement Focus and Basis of Accounting

The operations of the District are recorded in a governmental fund. Governmental funds are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

The District reports the general fund as a major governmental fund, which represents the District's sole operating fund and accounts for all financial resources of the District.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Special assessments associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Cash

Cash includes amounts on hand and in demand deposit accounts. The District's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida statutes and the County ordinances.

4. Assessments Receivables

No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

5. Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. The District does not have any related long-term debt used to acquire capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The District has no assets subject to restriction.

6. Use of Estimates

The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from these estimates.

NOTE C - SPECIAL ASSESSMENTS

The District is funded through the special assessments of non ad valorem assessments. Non ad valorem special assessments are defined in Florida Statutes, Chapter 197.3632((1)d) "as only those assessments which are not based on millage and which can become a lien against a homestead as permitted in Section 4. Article X of the State Constitution". Although both property taxes and special assessments are compulsory levies on property, special assessments are distinguished from property taxes because special assessments must provide a special benefit to be assessment property. In addition, unlike taxes, with special assessments there must be a connection between the governmental expense funded through the assessment revenues and the properties being assessed.

The District's assessment rate charged to properties was \$294.1176 per hotel room within the district at October 1, 2020, with 11 hotels benefiting from the District's services.

Under the law of Florida, the valuation and assessment of all properties and the collection of all assessments are performed by the Hillsborough County Tax Collector and the City of Tampa.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

September 30, 2021

NOTE C - SPECIAL ASSESSMENTS - CONTINUED

All properties are assessed on a monthly basis or as soon thereafter as the assessment roll is certified and delivered to the Hillsborough County Tax Collector.

Because of the Hillsborough County Tax Collector's efficient system for collecting assessments and remitting the proceeds to District, any delinquent or uncollected assessment revenues at year-end are immaterial. Based on prior experience, the District has always been able to fully collect on special assessment revenues.

NOTE D - FUND BALANCE REPORTING

There are two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At September 30, 2021, the District had \$0 in non-spendable fund balance. In addition to the non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- A. Restricted – Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other Districts or (b) imposed by law through constitutional provisions or enabling legislation.
- B. Committed – Amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority.
- C. Assigned – Amounts intended to be used by the District for specific purposes. Assigned fund balance represents the amount that is not restricted or committed. The intent shall be expressed by the District. At September 30, 2021, the District had \$0 of assigned fund balance, which represents the amount needed to eliminate the projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures and budgeted contingency reserve over expected revenues.
- D. Unassigned – This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. At September 30, 2021, unassigned fund balance is \$1,002,409. It is the goal of the District to achieve and maintain an unassigned fund balance equal to or greater than 10% of expenditures to cover unexpected expenditures and revenue shortfalls from year to year.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

September 30, 2021

NOTE D - FUND BALANCE REPORTING - CONTINUED

The District's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance, in that order, under circumstances where a particular expenditure can be made from more than one fund classification.

NOTE E - RISK MANAGEMENT

During the ordinary course of its operations, the District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the District. There have been no significant reductions in coverage nor have settlement amounts exceeded the District's coverage during the year ended September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND

Year ended September 30, 2021

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:				
Charges for services	660,000	660,000	695,211	35,211
Total revenues	660,000	660,000	695,211	35,211
Expenditures:				
Tri-party agreement litigation costs	175,000	175,000	64,360	110,640
City of Tampa administrative fee	7,650	7,650	5,274	2,376
Tax Collector administrative fee	7,650	7,650	6,952	698
Executive director services	49,500	49,500	54,350	(4,850)
Legal and professional services	47,000	47,000	13,862	33,138
Tourism engagement services	370,000	370,000	20,000	350,000
General administrative expenses	-	-	626	(626)
Bank charges and fees	1,000	1,000	1,049	(49)
Total Expenditures	657,800	657,800	166,473	491,327
Excess (deficit) of revenues over expenditures	2,200	2,200	528,738	526,538
Fund balance, beginning of year	473,671	473,671	473,671	-
Fund balance, end of year	<u>\$ 475,871</u>	<u>\$ 475,871</u>	<u>\$ 1,002,409</u>	<u>\$ (526,538)</u>

COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

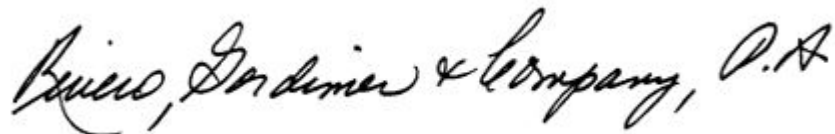
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
May 31, 2023



DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

SUMMARY OF AUDIT FINDINGS

September 30, 2021

Finding 2021-001: Material Weakness in Internal Controls Related to Financial Close

Criteria: An effective system of internal controls over financial reporting provides that a material misstatement would be prevented or detected and corrected on a timely manner.

Condition: As part of the year end close process for the year ended September 30, 2021, assessments receivable and related charges for services were incorrectly recorded. Additionally, the District did not complete bank reconciliations in a timely manner.

Cause: A lack of a formal financial close process led to the misstatement and incomplete bank reconciliations.

Effect: Assessments receivable and the related general revenues were understated by approximately \$162,000.

Recommendation: We recommend that a formal financial close process be implemented to include timely reconciliations and a detailed analytical review.

View of responsible officials and planned corrective actions: Management concurs with the recommendation. Planned corrective actions include implementing additional internal controls.

Finding 2021-002: Material Weakness in Internal Controls Related to Compliance

Criteria: Florida Statutes require the submission of the Public Depositor Annual Report to the Chief Financial Officer for all moneys that are placed in Qualified Public Depositories as well as maintaining minutes of all public meetings.

Condition: Local governments in the State of Florida shall comply with all required Florida Statutes.

Cause: The Qualified Public Depositor Annual Report was not submitted to the Division of Treasury in a timely manner as well as minutes of the governing board were not documented.

Effect: The District was in noncompliance with Florida Statutes.

Recommendation: We recommend the District implement controls to ensure compliance with all Florida Statutes.

View of responsible officials and planned corrective actions: Management concurs with the recommendation. Planned corrective actions includes completing and submitting Qualified Public Depositor Annual Report on a timely basis.



MANAGEMENT LETTER BASED ON RULE 10.554(1)(i) OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Report on the Financial Statements

We have audited the financial statements of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 31, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants Report on Compliance with the Requirements of Section 218.415, Florida Statutes on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 31, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements.



Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

The District has included certain information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General in Other Information included on page 28.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Members of the District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Tampa, Florida
May 31, 2023



Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

Michael E. Helton
James K. O'Connor
David M. Bohnsack
Julie A. Davis

INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH THE REQUIREMENTS
OF SECTION 218.415, FLORIDA STATUTES

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District

Report on Compliance

We have examined the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with the specified requirements.

Opinion

In our opinion, the District complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021.

Tampa, Florida
May 31, 2023



DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

DATA ELEMENTS REQUIRED BY SECTION 218.32(1)(e), FLORIDA STATUTES

September 30, 2021

<u>Data Element</u>	<u>Reference</u>	<u>Comment</u>
The total number of employees compensated in the last pay period of the fiscal year being reported:	Section 218.32(1)(e)(2)(a)	None
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year being reported:	Section 218.32(1)(e)(2)(b)	2
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency:	Section 218.32(1)(e)(2)(c)	\$ -
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency:	Section 218.32(1)(e)(2)(d)	\$ 54,350
Each construction project with a total cost of at least \$65,000 approved that is scheduled to being on or after October 1 of the fiscal year being reported, together with total expenditures for such projects.	Section 218.32(1)(e)(2)(e)	None
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Council amended a final adopted budget under Section 189.016(6), Florida Statutes:	Section 218.32(1)(e)(3)	See page 21